

SENATE BILL 3213
By Atchley

AN ACT to create and establish an authority for and on behalf of Knox County, Tennessee, Grainger County, Tennessee, and Union County, Tennessee, to be known as the "Tri-County Regional Utility Authority", and to authorize all necessary powers in connection therewith and to amend Tennessee Code Annotated, Title 64.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 64, is amended by adding Sections 2 through 7 of this act as a new Chapter 12:

SECTION 2. A water and wastewater treatment authority, to be known and designated as the Tri-County Regional Utility Authority of Knox, Grainger, and Union counties, is hereby created and established for and on behalf of the citizens of Knox County, Grainger County, and Union County, Tennessee.

SECTION 3. (a) It is hereby declared that the Tri-County Regional Utility Authority created pursuant to this act shall be public and a governmental body; and that the planning, acquisition, operating, and financing of water or wastewater treatment facilities and the provision by such authority of such other utility services as authorized by this act is hereby declared to be a public and governmental purpose and a matter of public necessity.

(b) The property and revenues of the authority or any interest therein shall be exempt from all state, county, and municipal taxation.

SECTION 4. The following words or terms whenever used or referred to in this chapter shall have the following respective meanings unless different meanings clearly appear from the context:

(1) "Authority" means the Tri-County Regional Utility Authority created pursuant to the provisions of this chapter.

(2) "Board" means the board of commissioners of the authority.

(3) "Bonds" shall include notes, interim certificates, or other obligations of an authority.

(4) "Creating governmental entity" means the counties of Knox, Grainger, and Union, Tennessee, each a political subdivision of the state of Tennessee.

(5) "Executive officer" means the mayor or other chief executive officer of a creating or participating governmental entity.

(6) "Governing body" means the chief legislative body of any creating or participating governmental entity.

(7) "Jurisdiction" shall include, collectively, all areas of jurisdiction encompassed by the creating governmental entities and each participating governmental entity.

(8) "Participating governmental entity" means any rural water utility district, or municipality, which, pursuant to a resolution of its governing body, shall have sold, leased, dedicated, donated, or otherwise conveyed its water treatment works, or any portion thereof, to the authority for operation by the authority in order to make such treatment works an operational part of its treatment works.

(9) "Treatment works" means any devices and systems used in the treatment and distribution of water or wastewater, including transmission lines, storage facilities, pumping, power, and other equipment, and their appurtenances, extensions, improvements, remodeling, additions, and other alterations thereof.

SECTION 5. The creating governmental entities and any participating governmental entity may enter into an agreement with the authority for the orderly transfer to the authority of any treatment works properties necessary for the functioning of the authority. The agreement may include provisions for the reimbursement of any such governmental entity for its obligations issued for treatment works. Nothing in this act shall be construed to require any transfer of function or service area by the creating governmental entities or any participating governmental entity to the authority.

SECTION 6.

(a) The governing body of the authority shall be a board of commissioners of five (5) persons, three (3) of whom shall be appointed by the Knox County mayor and

approved by the Knox County commission, and one (1) each of whom shall be appointed by the county mayors of Grainger and Union Counties, and approved by the Grainger County commission and the Union County commission respectively. The board of commissioners shall include persons of good standing and reputation and residents of the creating governmental entities responsible for their appointment.

(b) Commissioners first appointed to the board shall be appointed for terms of one (1), two (2), three (3), four (4), and five (5) years, respectively, but thereafter each commissioner shall be appointed for a term of five (5) years. Unless otherwise agreed by the creating governmental entities, the largest population county shall make the appointments with the longest initial terms.

(c) Any vacancy by reason of nonresidence, incapacity, resignation, or death shall be filled in like manner for the unexpired term. A commissioner's term shall continue until the appointment and qualification of his successor. A commissioner may be removed from office by a two-thirds (2/3) vote of the governing body of the governmental entity which approved the commissioner's appointment, either for cause or without cause.

(d) The board shall elect from among its members a chairman and vice chairman, each of whom shall continue to be voting members, and shall adopt its own by-laws and rules of procedure. The presence of at least four (4) commissioners shall constitute a quorum for the transaction of business. Except as herein expressly otherwise specified, all powers herein granted to an authority shall be exercised by the board.

(e) Each member of the board shall be entitled to an equal vote on all matters.

(f) Commissioners shall be entitled to receive payment for their attendance at meetings of the authority in the same manner that utility district commissioners are compensated under § 7-82-101 et seq., and shall also be reimbursed for necessary expenses incurred in the performance of their official duties. Neither the Tennessee Regulatory Authority nor any board or commission of like character hereafter created

shall have jurisdiction over the authority in the management and control of any treatment works, including the regulation of its rates, fees, or charges.

SECTION 7. The board shall be vested with full, absolute, and complete authority and responsibility for the operation, management, conduct, and control of the business and affairs of the authority herein created; such operation, management, conduct, and control, however, shall not be inconsistent with existing contractual obligations of any participating governmental entity. Such authority and responsibility shall include, but shall not be limited to, the establishment, promulgation, and enforcement of the rules, regulation's, or policies of the authority, the upkeep and maintenance of all property, the administration of the financial affairs of the authority, and the employment, compensation, discharge, and supervision of all personnel.

SECTION 8. This act shall take effect upon becoming a law, the public welfare requiring it.